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OF COUNSEL
WILLIAM G. CONLY

March 14, 2007

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Davis Sand, Reservoir C; "D" Sand of the Cotton Valley Formation; and Cotton Valley Zone, Reservoir A; RUSTON FIELD, Lincoln Parish, Louisiana.

Dear Sir:

NELSON ENERGY, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Davis Sand, Reservoir C; "D" Sand of the Cotton Valley Formation; and the Cotton Valley Zone, Reservoir A; all in the Ruston Field, Lincoln Parish, Louisiana:

Davis Sand, Reservoir C, and
"D" Sand of the Cotton Valley Formation

1. To dissolve the unit shown on an attached plat and designated DAVIS RC SUJ created for the Davis Sand, Reservoir C, by Office of Conservation Order No. 164-J-11, effective May 18, 1999.

2. To dissolve the unit shown on an attached plat and designated CV D SUU, created for the "D" Sand of the Cotton Valley Formation by Office of Conservation Order No. 164-E-3, effective February 5, 1998.

The Davis Sand, Reservoir C, in the Ruston Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 164-J-4, effective August 3, 1983.

The "D" Sand of the Cotton Valley Formation in the Ruston Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 164, effective March 31, 1949.

Cotton Valley Zone, Reservoir A

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Cotton Valley Zone, Reservoir A.
2. To create a single drilling and production unit for the exploration for and production of gas and condensate from the Cotton Valley Zone, Reservoir A, such unit being shown on an attached plat and being designated CV RA SUA.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.
4. To designate an operator of, and unit well for, the proposed unit as may be appropriate.
5. To propose that future wells drilled to the Cotton Valley Zone, Reservoir A, within or outside of the unit proposed herein be located in accordance with the spacing provisions of Statewide Order No. 29-E.
6. To define the Cotton Valley Zone, Reservoir A, as the stratigraphic equivalent of that interval encountered between the depths of 9,685 feet and 12,570 feet (electrical log measurements) in the Sonat Exploration Company (formerly Franks Petroleum, Inc.)--Rabb No. 1 Well, located in Section 29, Township 18 North, Range 2 West, Lincoln Parish, Louisiana.
7. To consider such other matters as may be pertinent to any of these sands and formations.

Any pertinent data concerning this application will be available for inspection at the offices of Mr. Joe B. Adams, 21010 Vermont Street, Livingston, Louisiana 70754. Any person wishing to inspect any such data should call Mr. Adams at (225) 686-2355 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party. Any person having questions as to where their land is located with respect to the proposals of Applicant is encouraged to call Mr. Carroll Jones at (318) 255-6690.

By letter dated March 1, 2007, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set March 22, 2007, as the tentative date for the pre-application conference. No request for the

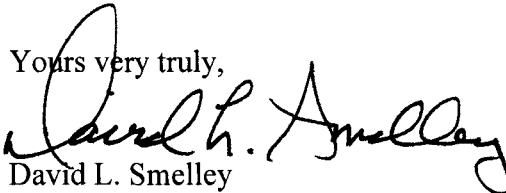
Honorable James H. Welsh
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conference was received within ten (10) days after the date of said letter; therefore, no pre-application conference will be held.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of each of the unit plats showing the units proposed to be dissolved and the unit proposed to be created (which are identical to the plats attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of each of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Ruston Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

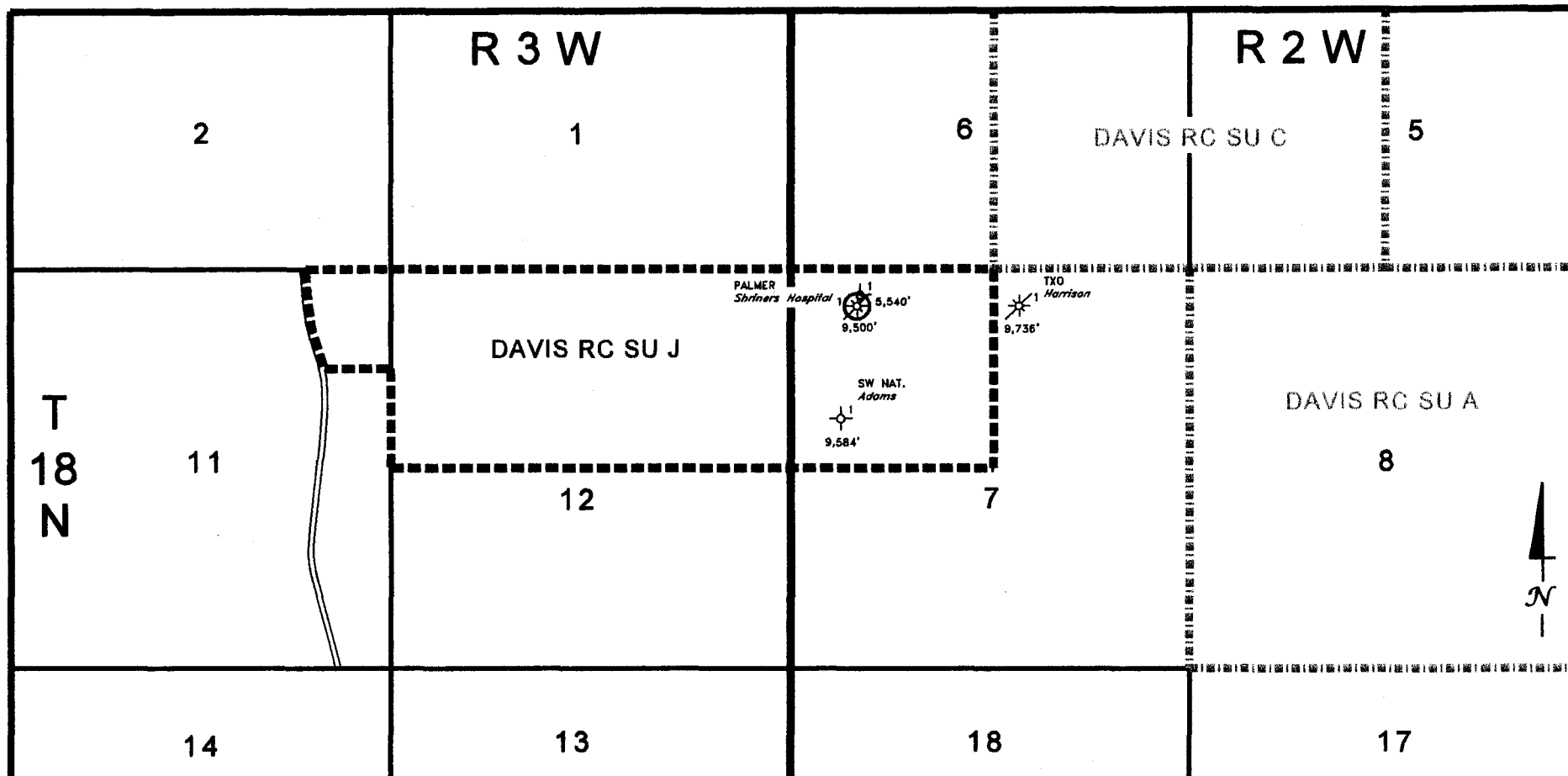
Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,

David L. Smelley

--- Attorney for Nelson Energy, Inc.

DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Danny Moreland (w/encls.)
Mr. Joe B. Adams (w/encls.)
Mr. Carroll Jones (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plats only)



----- - UNIT TO BE DISSOLVED
(AS PER ORDER No. 164-J-11)

===== - EXISTING DAVIS UNITS

NOTE: ALL BOUNDARIES ARE GEOGRAPHIC.

Geo-Draft, Inc.
(504) 836-2882

EXHIBIT No.

DOCKET No.

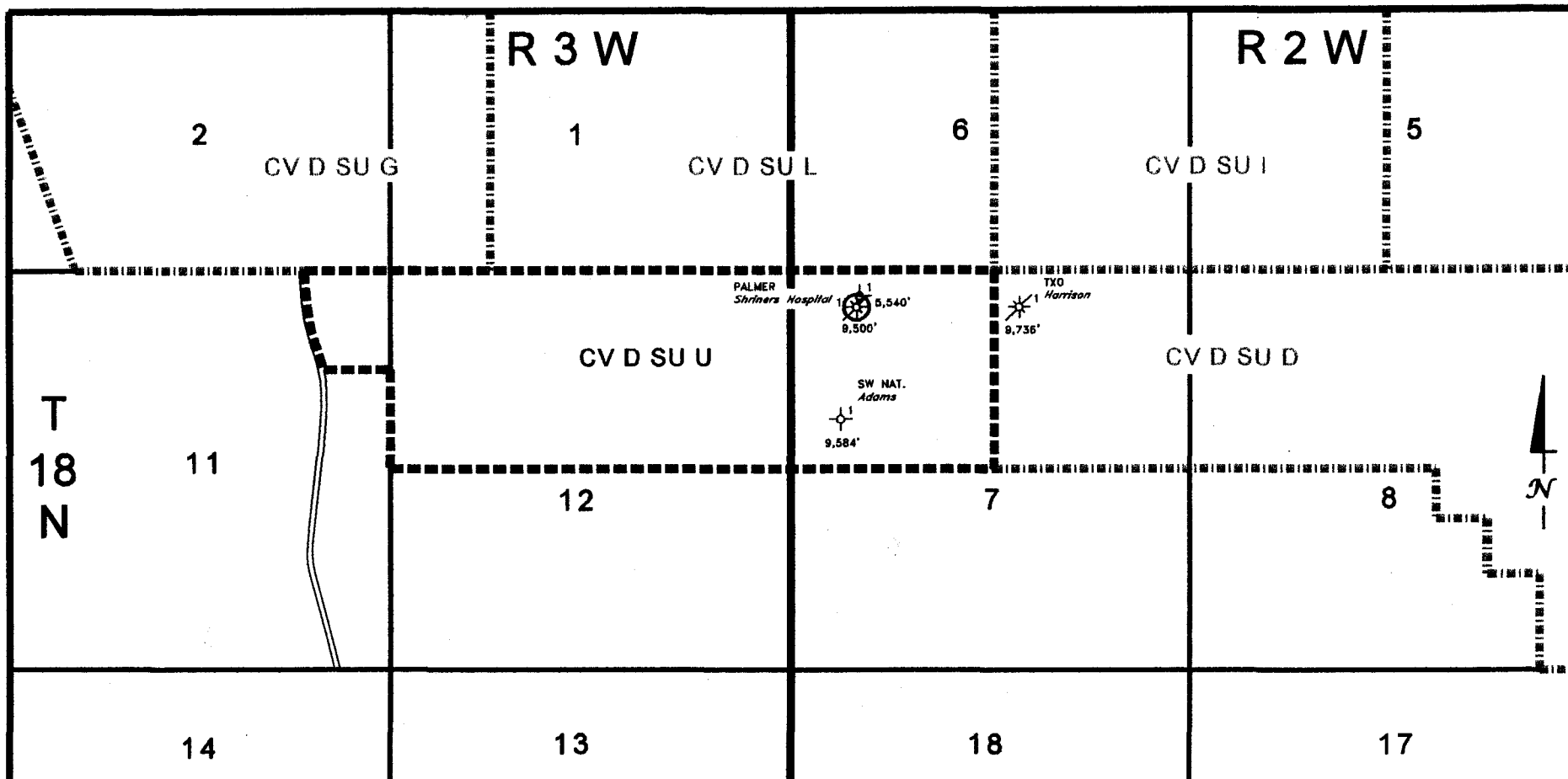
NELSON ENERGY, INC.

RUSTON FIELD
LINCOLN PARISH, LOUISIANA

DAVIS RC SU J Dissolution

Date: _____
0' 2000' 4000' 6000'

Geology: JOE B. ADAMS



----- - UNIT TO BE DISSOLVED
(AS PER ORDER No. 164-E-3)

----- - EXISTING CV D UNITS

NOTE: ALL BOUNDARIES ARE GEOGRAPHIC.


Geo-Draft, Inc.
(504) 836-2882

EXHIBIT No.

DOCKET No.

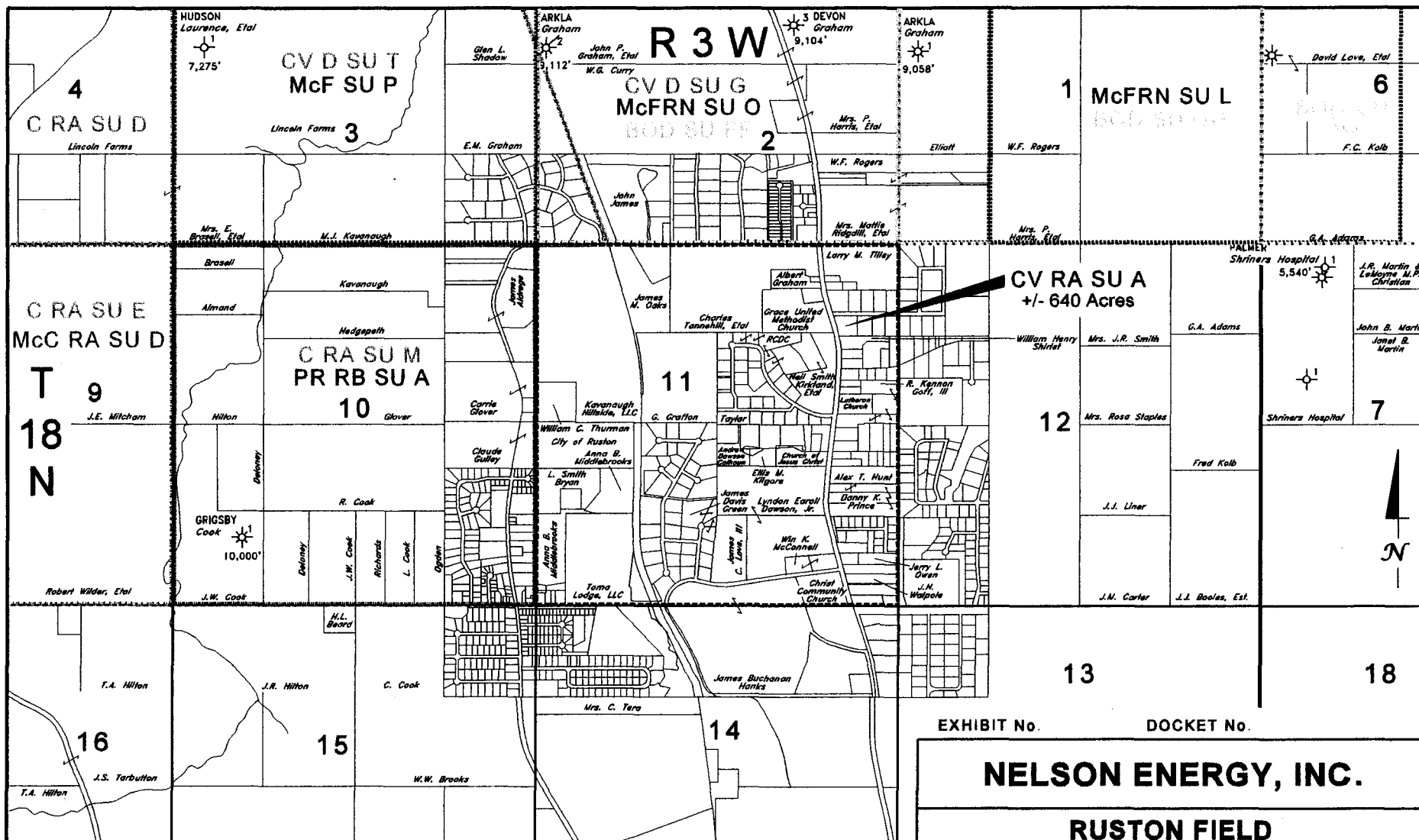
NELSON ENERGY, INC.

RUSTON FIELD
LINCOLN PARISH, LOUISIANA

CV D SU U Dissolution

Date: _____
0' 2000' 4000' 6000'

Geology: JOE B. ADAMS



- - PROPOSED COTTON VALLEY UNIT
- - EXISTING COTTON VALLEY C&D UNITS
- - EXISTING McCRARY UNITS
- - EXISTING McFERRIN UNITS
- - EXISTING PRICE UNIT
- - EXISTING BODCAW UNITS

NOTE: ALL BOUNDARIES ARE GEOGRAPHIC.
TRACTS BASED ON MINERAL OWNERSHIP.



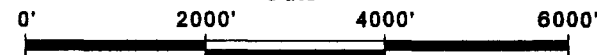
EXHIBIT No. DOCKET No.

NELSON ENERGY, INC.

RUSTON FIELD
LINCOLN PARISH, LOUISIANA

Proposed Unit
Cotton Valley Zone

Date:



Geology: JOE B. ADAMS